

## SENATE BILL No. 367

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### DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 5-11-10; IC 6-1.1-17-16; IC 36-4-10-5; IC 36-9-12-4; IC 36-9-12-5.

**Synopsis:** Municipal fiscal matters. Requires a levee authority to use the invoice method rather than the claim method of payment. Allows a governmental entity to pay claims before receiving grant money for which reimbursement has been requested, with the prior approval of the board having jurisdiction over allowance of payment of the claim. Provides that the fiscal officer of a second class city is not liable for an act or omission in connection with the performance of certain duties of the officer unless the act or omission constitutes gross negligence or an intentional disregard of the fiscal officer's duties. Provides that a municipality may deposit license fees from parking meters in a special account of the general fund in addition to a special fund. Allows the  
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**Effective:** Upon passage; July 1, 1999.

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January 8, 1999, read first time and referred to Committee on Governmental and Regulatory Affairs.

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municipal fiscal body to transfer money to the special account of the general fund or to the special fund if the fiscal body determines that the transfer is necessary and the transfer is made at a regular public meeting and by ordinance or resolution. Increases from one week to two weeks the amount of time a political subdivision has to respond in writing to the state board of tax commissioners' notice of a revision, reduction, or increase in the political subdivision's tax levy or rate.

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Introduced

First Regular Session 111th General Assembly (1999)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 1998 General Assembly.

## SENATE BILL No. 367

A BILL FOR AN ACT to amend the Indiana Code concerning local government.

*Be it enacted by the General Assembly of the State of Indiana:*

- 1 SECTION 1. IC 5-11-10-1 IS AMENDED TO READ AS  
2 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. (a) This section  
3 applies to the state and its political subdivisions. However, this section  
4 does not apply to the following:  
5 (1) The state universities.  
6 (2) Ivy Tech State College.  
7 (3) A municipality (as defined in IC 36-1-2-11).  
8 (4) A county.  
9 (5) An airport authority operating in a consolidated city.  
10 (6) A capital improvements board of managers operating in a  
11 consolidated city.  
12 (7) A board of directors of a public transportation corporation  
13 operating in a consolidated city.  
14 (8) A municipal corporation organized under IC 16-22-8-6.  
15 (9) A public library.



(10) A library services authority.

(11) A hospital organized under IC 16-22 or a hospital organized under IC 16-23.

(12) A school corporation (as defined in IC 36-1-2-17).

(13) A regional water or sewer district organized under IC 13-26 or under IC 13-3-2 (before its repeal).

(14) A municipally owned utility (as defined in IC 8-1-2-1).

(15) A board of an airport authority under IC 8-22-3.

(16) A conservancy district.

(17) A board of aviation commissioners under IC 8-22-2.

(18) A public transportation corporation under IC 36-9-4.

(19) A commuter transportation district under IC 8-5-15.

(20) A solid waste management district established under IC 13-21 or IC 13-9.5 (before its repeal).

**(21) A levee authority established under IC 14-27-6 or IC 13-2-31-2 (before its repeal).**

(b) No warrant or check shall be drawn by a disbursing officer in payment of any claim unless the same has been fully itemized and its correctness properly certified to by the claimant or some authorized person in the claimant's behalf, and filed and allowed as provided by law.

(c) The certificate provided for in subsection (b) is not required for:

(1) claims rendered by a public utility for electric, gas, steam, water, or telephone services, the charges for which are regulated by a governmental body;

(2) a warrant issued by the auditor of state under IC 4-13-2-7(b);

(3) a check issued by a special disbursing officer under IC 4-13-2-20(g); or

(4) a payment of fees under IC 36-7-11.2-49(b) or IC 36-7-11.3-43(b).

(d) The disbursing officer shall issue checks or warrants for all claims which meet all of the requirements of this section. The disbursing officer does not incur personal liability for disbursements:

(1) processed in accordance with this section; and

(2) for which funds are appropriated and available.

(e) The certificate provided for in subsection (b) must be in the following form:

I hereby certify that the foregoing account is just and correct, that the amount claimed is legally due, after allowing all just credits, and that no part of the same has been paid.

SECTION 2. IC 5-11-10-1.6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1.6. (a) As used in



1 this section, "governmental entity" refers to any of the following:

- 2 (1) A municipality (as defined in IC 36-1-2-11).
- 3 (2) A school corporation (as defined in IC 36-1-2-17).
- 4 (3) A county.
- 5 (4) A regional water or sewer district organized under IC 13-26
- 6 or under IC 13-3-2 (before its repeal).
- 7 (5) A municipally owned utility that is subject to IC 8-1.5-3 or
- 8 IC 8-1.5-4.
- 9 (6) A board of an airport authority under IC 8-22-3.
- 10 (7) A board of aviation commissioners under IC 8-22-2.
- 11 (8) A conservancy district.
- 12 (9) A public transportation corporation under IC 36-9-4.
- 13 (10) A commuter transportation district under IC 8-5-15.
- 14 (11) The state.
- 15 (12) A solid waste management district established under
- 16 IC 13-21 or IC 13-9.5 (before its repeal).
- 17 **(13) A levee authority established under IC 14-27-6 or**
- 18 **IC 13-2-31-2 (before its repeal).**

19 (b) As used in this section, "claim" means a bill or an invoice  
20 submitted to a governmental entity for goods or services.

21 (c) The fiscal officer of a governmental entity may not draw a  
22 warrant or check for payment of a claim unless:

- 23 (1) there is a fully itemized invoice or bill for the claim;
- 24 (2) the invoice or bill is approved by the officer or person
- 25 receiving the goods and services;
- 26 (3) the invoice or bill is filed with the governmental entity's fiscal
- 27 officer;
- 28 (4) the fiscal officer audits and certifies before payment that the
- 29 invoice or bill is true and correct; and
- 30 (5) payment of the claim is allowed by the governmental entity's
- 31 legislative body or the board or official having jurisdiction over
- 32 allowance of payment of the claim.

33 This subsection does not prohibit a school corporation, with prior  
34 approval of the board having jurisdiction over allowance of payment of  
35 the claim, from making payment in advance of receipt of services as  
36 allowed by guidelines developed under IC 20-10.1-25-3.

37 (d) The fiscal officer of a governmental entity shall issue checks or  
38 warrants for claims by the governmental entity that meet all of the  
39 requirements of this section. The fiscal officer does not incur personal  
40 liability for disbursements:

- 41 (1) processed in accordance with this section; and
- 42 (2) for which funds are appropriated and available.



(e) The certification provided for in subsection (c)(4) must be on a form prescribed by the state board of accounts.

**(f) This subsection applies to a governmental entity that has been awarded a grant requiring the governmental entity to expend funds for which reimbursement will be provided from the grant. The governmental entity may pay claims before receiving grant money for which the governmental entity has requested reimbursement, with the prior approval of the board having jurisdiction over allowance of payment of the claim.**

SECTION 3. IC 6-1.1-17-16 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 16. (a) Subject to the limitations and requirements prescribed in this section, the state board of tax commissioners may revise, reduce, or increase a political subdivision's budget, tax rate, or tax levy which the board reviews under section 8 or 10 of this chapter.

(b) Subject to the limitations and requirements prescribed in this section, the state board of tax commissioners may review, revise, reduce, or increase the budget, tax rate, or tax levy of any of the political subdivisions whose tax rates compose the aggregate tax rate within a political subdivision whose budget, tax rate, or tax levy is the subject of an appeal initiated under this chapter.

(c) Except as provided in subsection (i), before the state board of tax commissioners reviews, revises, reduces, or increases a political subdivision's budget, tax rate, or tax levy under this section, the board must hold a public hearing on the budget, tax rate, and tax levy. The board shall hold the hearing in the county in which the political subdivision is located. The board may consider the budgets, tax rates, and tax levies of several political subdivisions at the same public hearing. At least five (5) days before the date fixed for a public hearing, the board shall give notice of the time and place of the hearing and of the budgets, levies, and tax rates to be considered at the hearing. The board shall publish the notice in two (2) newspapers of general circulation published in the county. However, if only one (1) newspaper of general circulation is published in the county, the board shall publish the notice in that newspaper.

(d) Except as provided in subsection (h), IC 6-1.1-19, or IC 6-1.1-18.5, the state board of tax commissioners may not increase a political subdivision's budget, tax rate, or tax levy to an amount which exceeds the amount originally fixed by the political subdivision. The state board of tax commissioners shall give the political subdivision written notification specifying any revision, reduction, or increase the state board of tax commissioners proposes in a political subdivision's



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1 tax levy or tax rate. The political subdivision has ~~one (1) week~~ **two (2)**  
 2 **weeks** from the date the political subdivision receives the notice to  
 3 provide a written response to the state board of tax commissioners'  
 4 Indianapolis office specifying how to make the required reductions in  
 5 the amount budgeted for each office or department. The state board of  
 6 tax commissioners shall make reductions as specified in the political  
 7 subdivision's response if the response is provided as required by this  
 8 subsection and sufficiently specifies all necessary reductions. The state  
 9 board of tax commissioners may make a revision, a reduction, or an  
 10 increase in a political subdivision's budget only in the total amounts  
 11 budgeted for each office or department within each of the major budget  
 12 classifications prescribed by the state board of accounts.

13 (e) The state board of tax commissioners may not approve a levy for  
 14 lease payments by a city, town, county, library, or school corporation  
 15 if the lease payments are payable to a building corporation for use by  
 16 the building corporation for debt service on bonds and if:

- 17 (1) no bonds of the building corporation are outstanding; or
- 18 (2) the building corporation has enough legally available funds on
- 19 hand to redeem all outstanding bonds payable from the particular
- 20 lease rental levy requested.

21 (f) The action of the state board of tax commissioners on a budget,  
 22 tax rate, or tax levy is final. The board shall certify its action to:

- 23 (1) the county auditor; and
- 24 (2) the political subdivision if the state board acts pursuant to an
- 25 appeal initiated by the political subdivision.

26 (g) The state board of tax commissioners is expressly directed to  
 27 complete the duties assigned to it under this section not later than  
 28 February 15th of each year for taxes to be collected during that year.

29 (h) Subject to the provisions of all applicable statutes, the state  
 30 board of tax commissioners may increase a political subdivision's tax  
 31 levy to an amount that exceeds the amount originally fixed by the  
 32 political subdivision if the increase is:

- 33 (1) requested in writing by the officers of the political
- 34 subdivision;
- 35 (2) either:
- 36 (A) based on information first obtained by the political
- 37 subdivision after the public hearing under section 3 of this
- 38 chapter; or
- 39 (B) results from an inadvertent mathematical error made in
- 40 determining the levy; and
- 41 (3) published by the political subdivision according to a notice
- 42 provided by the state board of tax commissioners.



(i) The state board of tax commissioners shall annually review the budget of each school corporation not later than April 1. The state board of tax commissioners shall give the school corporation written notification specifying any revision, reduction, or increase the state board of tax commissioners proposes in the school corporation's budget. A public hearing is not required in connection with this review of the budget.

SECTION 4. IC 36-4-10-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. (a) This section applies to second class cities.

(b) The fiscal officer is the head of the city department of finance. The fiscal officer shall do the following:

- (1) Prescribe the form of reports and accounts to be submitted to the department.
- (2) Sign and issue all warrants on the city treasury.
- (3) Audit and revise all accounts and trusts in which the city is concerned.
- (4) Keep separate accounts for each item of appropriation made for each city department, including a statement showing the amount drawn on each appropriation, the unpaid contracts charged against it, and the balance remaining.
- (5) At the end of each fiscal year, submit under oath to the city legislative body a report of the accounts of the city published in pamphlet form and showing revenues, receipts, expenditures, and the sources of revenues.
- (6) Maintain custody of the records of the department and turn them over to the fiscal officer's successor in office.
- (7) Perform duties prescribed by statute concerning the negotiation of city bonds, notes, and warrants.
- (8) Keep a register of bonds of the city and of transfers of those bonds.
- (9) Manage the finances and accounts of the city and make investments of city money, subject to the ordinances of the legislative body.
- (10) Issue city licenses on payment of the license fee.
- (11) Collect fees as fixed by ordinance.
- (12) Pay into the city treasury, once each week, all fees and other city money collected by the department during the preceding week, specifying the source of each item.
- (13) Prescribe payroll and account forms for all city offices.
- (14) Prescribe the manner in which salaries shall be drawn.
- (15) Prescribe the manner in which creditors, officers, and



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employees shall be paid.

(16) Provide that all salaries are payable monthly, unless the legislative body establishes more frequent payments.

(17) Notify the city executive of the failure of any city officer to collect money due the city or to pay city money into the city treasury.

(18) Draw warrants on the city treasury for miscellaneous city expenditures not made under the direction of a department and not specifically fixed by statute.

**(19) Examine tax duplicates held by the county auditor and county treasurer for proper form concerning city taxes.**

**(20) Examine property assessments for proper form concerning city taxes.**

**(21) Report unassessed property to the county auditor.**

**(22) Administer oaths when necessary in the discharge of the fiscal officer's duties, without charging a fee.**

**(c) A fiscal officer is not liable in an individual capacity for an act or omission occurring in connection with the performance of the duties prescribed by subsection (b) unless the act or omission constitutes gross negligence or an intentional disregard of the fiscal officer's duties.**

SECTION 5. IC 36-9-12-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 4. (a) A municipality must provide, by ordinance, that:

(1) all license fees collected from parking meters shall be deposited with the municipal fiscal officer;

(2) the fees shall be deposited to the credit of the municipality in **either:**

**(A) a special fund; or**

**(B) a special account of the general fund; and**

(3) disbursements from the special fund may be made only on orders of the municipal works board, or board of transportation, and only for the purposes listed in subsection (b).

(b) Disbursements from the special fund **or a special account of the general fund** may be made only to pay:

(1) the purchase price, rental fees, and cost of installation of the parking meters;

(2) the cost of maintenance, operation, and repair of the parking meters;

(3) incidental costs and expenses in the operation of the parking meters, including the cost of clerks and bookkeeping;

(4) the cost of traffic signal devices used in the municipality;



(5) the cost of repairing and maintaining any of the public ways, curbs, and sidewalks where the parking meters are in use, and all public ways connected with them in the municipality;

(6) the cost of acquiring, by lease or purchase, suitable land for off-street parking facilities to be operated or leased by the municipality;

(7) the principal and interest on bonds issued to acquire parking facilities and devices;

(8) the cost of improving and maintaining land for parking purposes and purchasing, installing, and maintaining parking meters on that land; and

(9) the cost of providing approved school crossing protective facilities, including the costs of purchase, maintenance, operation, and repair, and all other incidental costs.

SECTION 6. IC 36-9-12-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 5. (a) Money deposited ~~in the special fund~~ under section 4 of this chapter may be expended only upon a specific appropriation made for that purpose by the municipal legislative body in the same manner that it appropriates other public money.

(b) The municipal works board or board of transportation shall prepare an itemized estimate of the money necessary for the operation of parking meters for the ensuing year at the regular time of making and filing budget estimates for other departments of the municipality. These estimates shall be made and presented to the municipal legislative body in the same manner as other department estimates.

(c) An appropriation under this ~~section~~ **chapter** is not subject to review by the county tax adjustment board or the state board of tax commissioners, and the general statutes regarding appropriation of funds do not affect this chapter.

**(d) The municipal fiscal body may transfer money to:**

**(1) the special account of the general fund; or**

**(2) the special fund;**

**if the fiscal body determines that the transfer is necessary to pay expenditures authorized under this chapter and the transfer is made at a regular public meeting and by proper ordinance or resolution.**

SECTION 7. An emergency is declared for this act.

